

## Message Text

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ACTION EB-08

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15  
NSC-05 PRS-01 H-01 /050 W  
-----140940Z 065823 /22  
R 140620Z APR 77  
FM AMEMBASSY SINGAPORE  
TO SECSTATE WASHDC 7549

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E.O. 11652: N/A  
TAGS: EAIR, SN, US  
SUBJECT: CIVAIR: MINISTER HON REPLIES

REF: SINGAPORE 1288

1. EMBASSY RECEIVED APRIL 13 FROM FINANCE MINISTER  
HON SUI SEN A REPLY TO AMBASSADOR'S EARLIER LETTER  
ON CIVAIR NEGOTIATIONS. TEXT OF HON'S REPLY FOLLOWS:

2. QUOTE. DEAR AMBASSDOR  
THANK YOU FOR YOUR LETTER OF MARCH 29, 1977.  
I SHOULD EXPLAIN AT THE OUTSET THAT MY COLLEAGUE THE  
MINISTER FOR COMMUNICATIONS IS RESPONSIBLE FOR AIR  
SERVICES NEGOTIATIONS. MY INTEREST IN THIS MATTER  
COVERS TWO AREAS:

A) EXPANSION OF TRADE BETWEEN OUR TWO COUNTRIES  
AND PROMOTION OF INVESTMENT AND TOURISM IN  
SINGAPORE.

B) THE VIABILITY OF SINGAPORE AIRLINES, WHICH  
FALLS WITHIN MY PORTFOLIO.

3. IT WAS IN RESPONSE TO A PARLIAMENTARY  
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QUESTION ON SIA THAT I MADE MY COMMENTS ON THAT  
AIRLINE'S EFFORTS TO SEEK A VIABLE ROUTE TO THE  
UNITED STATES.

LIKE YOU I HAVE BEEN FOLLOWING THE COURSE  
OF NEGOTIATIONS BETWEEN US AND SINGAPORE DELEGATIONS  
FOR AN AIR SERVICES AGREEMENT. I CANNOT CLAIM TO

KNOW MUCH ABOUT THE TECHNICALITIES INVOLVED, BUT TWO ASPECTS STAND OUT.

4. FIRST, THERE SEEMS TO BE A CONFLICT OF VIEWS ON THE VIABILITY OF VARIOUS ROUTINGS OFFERED BY THE US AND THE ASSOCIATED TRAFFIC RIGHTS. SIA MAINTAINS THAT TO MOUNT A SERVICE TO THE UNITED STATES AT A REASONABLE FREQUENCY AND WITH WIDE-BODIED EQUIPMENT, IT IS ESSENTIAL TO HAVE AT LEAST LIMITED FIFTH FREEDOM RIGHTS. THE US VIEW IS THAT FIFTH FREEDOM RIGHTS ARE NOT NECESSARY FOR THE ROUTE TO BE VIABLE; MOREOVER US CARRIERS HAVE NOT ENJOYED FIFTH FREEDOM RIGHTS IN THE PAST AND IT IS UNLIKELY THEY WILL BE ABLE TO EXERCISE THEM, EVEN IF GRANTED BY SINGAPORE UNDXCR AS ASA, BECAUSE OF RESTRICTION (SIC) IMPOSED BY THE THIRD COUNTRIES CONCERNED.

SIA'S VIEW IS THAT WHILE A US CARRIER OR CARRIERS, WITH A VAST HINTERLAND TO DRAW TRAFFIC FROM AND IMPORTANT LONG-HAUL OVER-WATER CABOTAGE (SIC) RIGHTS, CAN PERHAPS MOUNT VIABLE SERVICES WITHOUT FIFTH FREEDOM RIGHTS, SIA CANNOT. THE SINGAPORE DELEGATION WAS THEREFORE DISAPPOINTED AT THE LAST ROUND OF TALKS TO FIND THAT EVEN LIMITED FIFTH FREEDOM RIGHTS OFFERED BY THE US DELEGATION LAST AUGUST WERE WITHDRAWN.

PAN AMERICAN'S ARGUMENT THAT IT MAY NOT HAVE FIFTH FREEDOM RIGHTS FROM THIRD COUNTRIES IS ALSO A PROBLEM FACED BY SIA. BUT SIA IS PREPARED TO TAKE LIMITED OFFICIAL USE

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THE RISK.

5. THE SECOND ASPECT THAT STANDS OUT CONCERNS THE CONDITIONS LAID DOWN BY THE US DELEGATION AT THE LAST ROUND OF TALKS THAT SINGAPORE SHOULD, IN ADDITION TO OFFERING CERTAIN FIFTH FREEDOM RIGHTS TO THE US, NEGOTIATE AND OBTAIN APPROVAL FROM THE THIRD COUNTRIES CONCERNED FOR THE US TO BE ABLE TO EXERCISE THOSE FIFTH FREEDOM RIGHTS. I AM AFRAID I DO NOT AGREE THAT SUCH A PROPOSAL IS NEGOTIABLE OR THAT IT IS COMMON IN CIVIL AVIATION NEGOTIATIONS. COUPLED WITH THE FACT THAT IT WAS TABLED ON THE VERY LAST DAY OF THE TALKS, IT IS NOT SURPRISING THAT THE SINGAPORE DELEGATION GOT THE IMPRESSION THAT THE US TEAM WAS DISINTERESTED IN REACHING AGREEMENT.

6. I AM REASSURED BY YOUR EXPRESSION OF THE US DESIRE TO REACH AN EARLY AGREEMENT SATISFACTORY TO BOTH SIDES. I UNDERSTAND THE NEXT ROUND OF TALKS WILL BE HELD IN THE

SECOND WEEK OF MAY. I LOOK FORWARD TO A SUCCESSFUL CONCLUSION BOTH FOR SIA'S SAKE AS WELL AS IN OUR WIDER ECONOMIC INTEREST. YOUR SINCERELY, HON SUI SEN, MINISTER FOR FINANCE. UNQUOTE.

7. EMBASSY COMMENT: THIS QUESTION OF AIR RIGHTS IN THIRD COUNTRIES APPEARS TO HAVE MADE QUITE AN IMPACT ON GOS. WHILE HON IS PROBABLY CHOOSING TO MISUNDERSTAND THE AMBASSADOR'S REFERENCE TO THIS "NEGOTIABLE" TOPIC, IT SEEMS STRANGE THAT HE GIVES IT EQUAL IMPORTANCE WITH MATTER OF FIFTH-FREEDOM RIGHTS, WHICH IS CERTAINLY CRUX OF PROBLEM. IN ANY EVENT, WE HAVE NOT PERMITTED CHALLENGE TO OUR SINCERITY IN NEGOTIATIONS TO GO UNQUESTIONED.

8. FOLLOWING UP HON'S REMARK (PARA. 6, ABOVE) ABOUT MAY RESUMPTION OF TALKS, EMBOFF CALLED LIM CHEE ONN, MINISTRY OF COMMUNICATIONS, TO INQUIRE IF GOS HAD, IN FACT, ACCEPTED LIMITED OFFICIAL USE

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MAY 9 DATE. LIM REPLIED SUBJECT WAS STILL UNDER CONSIDERATION IN GOS, BUT IMPLIED THAT RESPONSE WOULD BE COUNTERPROPOSAL OF LATE MAY OR EARLY JUNE DATES. BLOCH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, NEGOTIATIONS, DIPLOMATIC COMMUNICATIONS  
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**Copy:** SINGLE  
**Sent Date:** 14-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2805500  
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**Status:** NATIVE  
**Subject:** CIVAIR: MINISTER HON REPLIES  
**TAGS:** EAIR, SN, US, (HON SUI SEN)  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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